

MEMORANDUM FOR: Deputy Director for Support  
SUBJECT : Current Interest Items

23 DEC 1964

ILLEGIB

1. [REDACTED] Insurance Program  
We have recently had a report from the underwriter on our DENTA and PAMA insurance program.

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[REDACTED] During the period December 1963 to October 1964, premiums were \$44,935 and claims were \$38,270, a ratio of 85% which does not make any allowances for expenses or establishment of a reserve. During the six-month period from April through September 1964 the ratio of claims to premiums was 120%. The underwriter advises us that a loss during the first year or two was to be expected. It is anticipated that a levelling off of claims among present subscribers and the addition of new subscribers (subject to the deductible and lower first-year maximum) may balance off the initial experience and provide a satisfactory low ratio. Consequently, the underwriter has agreed to renew the present contract for another year with no change in rates or benefits.

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[REDACTED] During the period March - October 1964, [REDACTED] claims totalled \$70,883.50 (an average of \$344.00). Although [REDACTED] ratio for the total period was 55%, it was 95% for the last eight months -- during which most beneficiaries fulfilled the six-months waiting period for pre-existing conditions. Consequently, the underwriters propose a 15% premium increase from \$6.85 to \$7.88 per month for each dependent covered. It is also proposed that an open period be held in 1965 to introduce new members who will be subject to the waiting period requirement and thus may stabilize the rates in the 1965-66 contract year. This proposal will be considered by the GEHA Board of Directors before final negotiations with the underwriter.

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2. NSC Appointment of [REDACTED]  
Arrangements have been completed to place Mr. [REDACTED] on one-year's leave without pay (which can be extended) so that he could be given a Schedule A appointment by the National Security Council. [REDACTED] accumulated annual and sick leave will be transferred to NSC to be available to him during the period of his employment on their rolls but will be transferred back to CIA when he resumes active service with the Agency.

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[REDACTED] will have automatic FEGLI coverage and be covered by the Civil Service retirement system under the NSC appointment. He is eligible for coverage under any of the three broad health plans (Aetna, Blue Cross/Blue Shield, and Government Employees Health Association) but elected instead to transfer his GEHA policy to his wife's name to maintain this coverage. (He could have retained GEHA coverage for a maximum of 11 months of LWOP with no payment of premiums but would not then have been eligible for the other programs available under his new appointment since he would no longer qualify as a "new appointee." Since his wife is employed by the Agency, his GEHA policy could be transferred to her name with no change in premium or benefits.)

DOCUMENT NO. [REDACTED]

NO CHANGE IN CLASS.

X DECLASSIFIED

CLASS CHANGED TO [REDACTED]

NEXT REVIEW DATE: [REDACTED]

[REDACTED]

AUTH: HR70-2

DATE: 16/03/87

REVIEWER: 01899.5

Order 1

EX-1

downgrading and

declassification

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[REDACTED] also carries UBLIC insurance under the GEHA program. Since he remains an Agency employee while on LWOP, he is eligible to retain this coverage but, of course, must continue premium payments.

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[REDACTED] reported for duty at NBC on 14 December but for administrative convenience his Schedule A appointment was effected at the beginning of the pay period, 19 December.

3. Physical Fitness Room

During the period 14 December through 20 December 1964, 184 participants used the Physical Fitness Room for a new weekly high. This is an increase of 12 over the previous week.

4. Candy Sales

As of 21 December, the Employee Activity Association had sold 4,029 pounds of Christmas candy for \$5,627.90.

/s/ Emmett D. Echols

Emmett D. Echols  
Director of Personnel

Distribution:

O & I - Addressee  
1 - IG  
 - D/Pers Subj  
 - D/Pers Chrono

25X1A9a OD/Pers [REDACTED] (23 December 1964)